THE CORPORATION OF THE CITY OF VICTORIA, B.C.

ANNUAL REPORT

For the Year Ending
December 31, 1985

THE CORPORATION OF THE CITY OF VICTORIA

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CITY COUNCIL

1985

Mayor G. Peter A. Pollen

Aldermen

Janet M. Baird	Parks, Recreation and Community Centres
Gretchen Brewin	Planning
Frank S. Carson	Finance
John R. Cooper	Public Works and Downtown Enhancement
Murray D. Glazier	Economic Development
Martin B. Levin	Tourism and Arts
Eric Simmons	Transportation
J. Geoffrey Young	Personnel and Fire Safety

1986

Mayor Gretchen Brewin

Aldermen

Janet M. Baird	Tourism, Public Works and Traffic
Frank S. Carson	Finance and Budgeting
Murray D. Glazier	Pacific Rim Relations
Suzanne Hansen	Downtown Enhancement
Martin B. Levin	Arts and Culture
F.R. "Whitey" Severson	Personnel
Eric Simmons	Planning
J. Geoffrey Young	Parks and Recreation

Police Board

1985

Mayor G. Peter A. Pollen
Colin K. Campbell
Donovan W.M. Waters
Pamela A. Murray
S. Cedric Steele

1986

Mayor Gretchen Brewin
Colin K. Campbell
Donovan W.M. Waters
Pamela A. Murray
S. Cedric Steele

MAYORS OF VICTORIA

1862 - 1865	Thomas Harris
1866	Lumley Franklin
1867	William J. Macdonald
1868 - 1870	James Trimble
1871	A. Rocke Robertson
1872	Richard Lewis
1873	James E. McMillan
1874	William Dalby
1875 - 1876	J.S. Drummond
1877	M.W.T. Drake
1878	Roderick Finlayson
1879 - 1881	J.H. Turner
1882	Noah Shakespeare
1883; 1897 - 1899	Charles E. Redfern
1884	Joseph W. Carey
1885	R.P. Rithet
1886 - 1887	James Fell
1888 - 1891	John Grant
1892 - 1893; 1896	Robert Beaven
1894 - 1895	John Teague
1900 - 1902	Charles Hayward
1903	A.G. McCandless
1904 - 1905	G. Harry Barnard
1906 - 1907; 1910 - 1911; 1913	A.J. Morley
1908 - 1909	Lewis Hall
1912	J.L. Beckwith
1914 - 1916	Alexander Stewart
1917 - 1918	A.E. Todd
1919 - 1921	R.J. Porter
1922	William Marchant
1923 - 1924	Reginald Hayward
1925 - 1928	J. Carl Pendray
1929 - 1931	Herbert Anscomb
1932 - 1936	David Leeming
1937 - 1944	Andrew McGavin
1944 - 1951	Percy E. George
1952 - 1956	Claude L. Harrison
1957 - 1961	Percy B. Scurrah
1962 - 1965	Richard Biggerstaff Wilson
1966	Alfred Walter Toone
1967 - 1969	Hugh R. Stephen
1970 - 1971	J. Courtney Haddock
1972 - 1975; 1982 - 1985	G. Peter A. Pollen
1976 - 1979	Michael D.W. Young
1980 - 1981	William D. Tindall
1986 -	Gretchen Brewin

Municipal Officers

Municipal Manager	Mr. J.H. Bramley, B.Com., C.A.
Deputy Municipal Manager & City Clerk	Mr. C.F.G. Crisp, B.A., M.A.
Director of Finance	Mr. D.J. Gawley, C.A.
City Engineer & Water Commissioner	Mr. J.D. Sansom, M.P.A., F.I.C.E., P. Eng.
Director of Planning	Mr. G.J. Greenhalgh, A.R.I.B.A., M.T.P.I.C.
Director of Parks	Mr. A.I. Smith, B.S.A.
Chief Constable	Mr. W.J. Snowdon
Fire Chief	Mr. M.E. Heppell
Director of Personnel	Mr. J.K. McLeod
Director of Recreation	Mr. J.B. Morgan
City Solicitor	Mr. M. Verbrugge, B.A., LL.B.

Municipal Auditors	Ernst & Whinney
Municipal Bankers	Canadian Imperial Bank of Commerce

TAXABLE ASSESSMENTS

1984

Property Class	General, Debt and Regional District	Hospital District, Assessment & Finance Authorities	Schools
Residential	$1,585,347,058	$1,585,347,058	$1,585,347,058
Utilities	20,968,692	44,026,942	95,261,957
Machinery		77,901,400	91,450,600
Industrial	28,954,200	28,954,200	28,954,200
Business	678,152,000	678,152,000	678,152,000
Seasonal	31,614,700	31,614,700	31,614,700
	$2,345,036,650	$2,445,996,300	$2,510,780,515

1985

Residential	$1,648,697,092	$1,648,697,092	$1,648,697,092
Utilities	20,768,333	43,804,183	95,315,783
Machinery		76,901,950	90,479,750
Industrial	21,875,450	21,875,450	21,875,450
Business	791,572,515	791,572,515	791,572,515
Seasonal	34,619,850	34,619,850	34,619,850
	$2,517,533,240	$2,617,471,040	$2,682,560,440

TAX RATES
DOLLARS PER $1000 OF TAXABLE ASSESSMENT

1984

Property Class	General	Debt	Regional District	Hospital District	Assessment Authority	Finance Authority	School	
							Local	Basic
Residential	5.80	1.09	.77	.58685	.1420	.0020	5.82484	
Utilities	18.03	3.39	2.40	2.05340	.4970	.0070		19.495
Machinery & Equipment				1.64318	.3976	.0056		15.596
Industrial	17.43	2.79	2.40	1.99529	.4828	.0068		18.938
Business	12.17	2.29	1.62	1.43778	.3479	.0049		13.647
Seasonal	5.80	1.09	.77	.58685	.1420	.0020		5.570

1985

Residential	6.302	1.032	.758	.59933	.1420	.0020	5.63705	
Utilities	22.222	3.368	2.474	2.09766	.4970	.0070		19.145
Machinery & Equipment				1.67812	.3976	.0056		10.211
Industrial	13.830	1.994	1.465	2.03772	.4828	.0068		16.410
Business	13.830	1.994	1.465	1.46836	.3479	.0049		13.402
Seasonal	6.302	1.032	.758	.59933	.1420	.0020		5.470

TAXES LEVIED - LAST TEN YEARS

	General and Debt	Hospital District	Regional District	Assessment Authority	Finance Authority	School District	Frontage Taxes	Tax Penalties	Total Taxes
1976	11,580,839	274,498	643,914	321,957	4,618	14,129,537	364,661	208,857	27,528,881
1977	11,978,344	303,229	1,031,465	338,074	5,320	12,157,806	373,087	216,819	26,404,144
1978	13,518,574	437,116	1,221,578	418,300	5,432	13,728,020	403,151	250,017	29,982,188
1979	14,283,009	566,348	1,172,367	449,933	5,663	15,019,591	466,769	187,613	32,151,293
1980	15,534,461	864,803	1,339,949	434,077	6,704	16,642,623	312,613	153,219	35,288,449
1981	17,767,616	1,224,049	2,091,506	459,996	7,104	21,566,066	392,139	243,488	43,751,964
1982	21,032,457	1,363,556	2,414,428	533,585	8,900	24,138,200	458,760	471,030	50,420,916
1983	20,938,036	1,843,853	2,610,190	533,323	7,624	23,161,105	443,919	417,462	49,955,512
1984	22,074,823	2,201,820	2,458,459	532,372	7,498	22,504,939	401,266	384,998	50,566,175
1985	25,796,917	2,436,692	2,519,038	577,327	8,132	23,199,508	484,917	452,736	55,475,267

TAX COLLECTIONS - LAST TEN YEARS

	Total Current Taxes Levied	Current Taxes Paid	Percentage	Arrears Outstanding at Beginning of Year	Arrears Collected	Percentage	Total Tax Collections
1976	27,528,881	26,833,846	97.48	1,026,062	983,152	95.82	27,851,714
1977	26,404,144	25,684,743	97.28	737,945	662,790	89.82	26,373,262
1978	29,982,188	28,925,703	96.48	794,556	726,251	91.40	29,651,954
1979	32,151,293	31,528,544	98.06	1,124,790	1,036,950	92.19	32,565,494
1980	35,288,449	34,915,559	98.94	710,589	649,836	91.45	35,565,395
1981	43,751,964	42,975,637	98.23	433,643	347,662	80.17	43,323,299
1982	50,420,916	47,565,757	94.34	862,308	594,085	68.89	48,159,842
1983	49,955,512	46,809,804	93.70	3,123,383	1,859,575	59.54	48,669,379
1984	50,566,175	47,692,280	94.32	4,409,516	3,005,177	68.15	50,697,397
1985	55,475,267	52,492,229	94.62	4,278,234	3,422,787	80.00	55,915,016

PRINCIPAL TAXPAYERS AND PERCENTAGE OF TOTAL TAXES
1985

B.C. Telephone	$1,548,508	2.81%
B.C. Hydro (school tax only)	1,117,861	2.03
Laing Property Corporation	1,059,608	1.93
Bentall Properties Ltd./Simpsons Sears Ltd.	1,048,283	1.91
Canadian Pacific Airlines	703,280	1.28
B.C. Forest Products	515,158	.94
Park Pacific Apartments Ltd.	501,637	.91
Canadian Imperial Bank of Commerce	413,272	.75
Paul's Restaurants Ltd.	350,479	.64
Canada Permanent Trust Company	349,833	.64
Hudson's Bay Company Properties Ltd.	300,051	.55
Med Realty Inc.	278,519	.51
264843 B.C. Ltd.	273,722	.50
Esquimalt and Nanaimo Railway Co.	261,931	.48
International Travel Inns Ltd.	247,103	.45
Island Farms Dairies Co-operative	237,119	.43
T. Eaton Realty Co. Ltd.	235,014	.43
Globe Realty Limited (Royal Bank of Canada)	223,542	.41
Canadian Newspaper Co. Ltd.	189,211	.34
Urban Transit Authority of B.C.	153,273	.28
	$10,007,404	18.22%

SOURCE AND DISTRIBUTION OF 1985 FUNDS

REVENUE			
Collections for Other Governments and Their Agencies		$28,740,829	37.9%
City of Victoria Taxes		26,456,573	34.9
Sales of Services			
Recreation	$2,206,817		
Parking	2,087,503		
Other	1,034,407	5,328,727	7.1
Other Revenue from own Sources			
Licences and Permits	1,189,694		
Fines	1,187,397		
Interest and Penalties	1,222,457		
Other	1,703,426	5,302,974	6.9
Grants in Lieu of Taxes		3,833,802	5.1
Unconditional Transfers from Provincial Government		2,975,455	3.9
Sale of Water		2,956,668	3.9
Conditional Transfers from Other Governments		150,465	.2
Prior Year's Surplus		102,819	.1
		$75,848,312	100.0%

SOURCE AND DISTRIBUTION OF 1985 FUNDS

EXPENDITURE			
Collections for Other Governments and Their Agencies			
Schools - Provincial	$13,905,711		
- Local	9,293,797		
Capital Regional District	2,519,170		
Capital Regional Hospital Dist.	2,436,692		
B.C. Assessment Authority	577,327		
B.C. Finance Authority	8,132	$28,740,829	37.9%
Protective Services			
Police	7,781,509		
Fire	5,199,457		
Other	609,425	13,590,391	18.0
Roads and Traffic		5,820,507	7.7
General Government		4,756,523	6.3
Parks		3,218,743	4.2
Debt Charges		2,943,572	3.9
Water Utility		2,853,205	3.7
Recreation		2,647,933	3.5
Garbage Collection and Disposal		2,420,007	3.2
Parking		1,528,232	2.1
Library		1,510,685	1.9
Sewers and Storm Drains		1,388,544	1.8
Capital Budget Program		1,207,888	1.6
Transfers to Own Funds & Reserves		895,376	1.2
Unconditional Transfers to Other Governments		824,817	1.1
Other		643,980	.8
Environmental Development		558,994	.7
Surplus		298,086	.4
		$75,848,312	100.0%

Debenture Principal Outstanding
December 31, 1985

By-law Number	Interest	Purpose	Date of Maturity	Amount
5716	5.375%	Senior's Centre	July 1, 1986	$ 6,012.25
5744	5.25%	Centennial Square	October 1, 1986	3,231.31
5419	5.375%	Police Station	October 1, 1986	16,799.03
5745	5.375%	Capital Budget #1	October 1, 1986	14,735.84
5746	6.00%	Capital Budget #1	November 1, 1986	31,000.00
5419	6.00%	Police Station	November 1, 1986	7,000.00
6176	6.375%	Capital Budget #1	February 1, 1989	66,651.86
6269	7.75%	Parking Facilities	April 1, 1991	700,000.00
6390	6.125%	Capital Budget #1	July 1, 1987	18,650.22
6678	9.46%	Capital Budget #2	January 15, 1986	289,193.88
6960	9.29%	Capital Budget #2	December 1, 1995	193,752.32
78-9	9.265%	Sewers	June 1, 1998	740,756.33
83-19	12.35%	Capital Budget #3	June 15, 2003	7,773,613.71
				$9,861,396.75

Annual Principal and Interest Requirements to Maturity
December 31, 1985

1986	$1,778,050.61
1987	1,390,058.01
1988	1,378,260.05
1989	1,376,850.91
1990	1,356,085.02
1991	1,353,793.43
1992	1,206,319.43
1993	1,204,023.91
1994	1,201,452.06
1995	1,198,570.40
1996	1,164,764.36
1997	1,161,145.86
1998	1,157,090.65
1999	1,056,850.08
2000	1,052,186.72
2001	1,046,947.45
2002	1,041,061.12
2003	1,034,448.00
	$22,157,958.07

Unused Borrowing Power $56,512,984.00

Construction Permits - Last Ten Years

	Quantity	Value
1976	4,738	$ 79,341,650
1977	4,492	61,153,673
1978	3,806	44,854,280
1979	3,949	41,786,794
1980	4,150	59,448,328
1981	4,287	111,290,752
1982	3,502	55,426,274
1983	3,547	42,449,330
1984	4,210	48,967,429
1985	4,321	53,275,859

MISCELLANEOUS STATISTICS

Date of Incorporation:	August 2, 1862
Population (latest census):	64,379
Voters List - Electors:	49,993
Land Area:	1,944 hectares
Length of Roadways:	259.5 km.
Length of Sanitary Sewers and Storm Drains	470.0 km.
Water Distribution System:	
Length	271.0 km.
Number of hydrants	1,158
Number of services	13,911
Fire Protection:	
Number of uniformed employees	107
Number of civilian employees	4
Number of stations	3
Number of responses	1,513
Dollar value of losses	$3,976,985
Inspections performed	9,073
Police Protection:	
Number of uniformed employees	141
Number of civilian employees	24
Number of crimes	14,358
Number of occurrences	37,050
Parks:	
Number of parks, playlots, beach areas, etc.	104
Land area	1,062 hectares

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

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THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
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VICTORIA AND SAANICH MOUNT DOUGLAS PARK COMMITTEE
Auditors' Report
Statement of Revenue and Expenditure

Ernst & Whinney Chartered Accountants

910 Government Street
Victoria, British Columbia V8W 1X3

604/388-7565

AUDITORS' REPORT

The Mayor and Aldermen
The Corporation of the City of Victoria
British Columbia

We have examined the balance sheets of The Corporation of the City of Victoria as at December 31, 1985 and the statements of revenue and expenditure, equity in fixed assets, source and application of funds, surplus, equity in capital assets and changes in fund balances for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Municipality as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Ernst & Whinney

March 21, 1986

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
CONSOLIDATED BALANCE SHEET

STATEMENT A

	December 31 1985	1984
ASSETS		
CASH	$ 3,853,859	$ 7,857,407
INVESTMENTS	6,664,360	2,482,830
PROPERTY TAXES RECEIVABLE	3,838,485	4,278,294
ACCOUNTS RECEIVABLE	3,938,809	3,292,670
MATERIALS AND SUPPLIES	882,519	867,998
PROPERTY ACQUIRED FOR TAXES	169,352	431,199
FIXED ASSETS	114,035,108	101,115,027
OTHER ASSETS	1,224,055	1,109,706
TRUST AND AGENCY FUNDS	264,822	245,113
	$134,871,369	$121,680,244
LIABILITIES		
PAYABLES	$ 4,895,814	4,191,468
OTHER LIABILITIES	1,611,774	1,713,801
DEBENTURE DEBT	9,861,397	11,267,678
TRUST AND AGENCY FUNDS	264,822	245,113
	16,633,807	17,418,060
EQUITY		
RESERVES	13,236,463	12,985,890
EQUITY IN FIXED ASSETS	104,703,013	91,173,475
SURPLUS	298,086	102,819
	118,237,562	104,262,184
CONTINGENT LIABILITIES - Note E		
	$134,871,369	$121,680,244

APPROVED BY THE DIRECTOR OF FINANCE

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE

STATEMENT B

	Year Ended December 31 1985	1984
REVENUE		
Taxes	$ 28,975,743	$ 26,857,867
Grants in lieu of taxes	3,833,802	4,185,817
Sales of services	5,328,727	4,929,561
Other revenue from own sources	4,077,627	4,214,535
Sale of water	2,956,668	2,775,794
Unconditional transfers from other governments	2,975,455	2,975,679
Conditional transfers from other governments	150,465	160,636
Miscellaneous	1,225,347	1,167,995
Taxes levied on behalf of other governments	26,221,659	25,246,629
	75,745,493	72,514,513
Surplus appropriated from previous year	102,819	85,630
	75,848,312	72,600,143
EXPENDITURE		
General government	4,756,523	4,647,366
Protective services	13,590,391	13,513,091
Public works and traffic engineering	7,348,739	7,093,633
Environmental health services	3,808,551	3,332,204
Water utility	2,853,205	2,708,781
Public health	127,005	133,162
Environmental development services	558,994	557,379
Recreation and cultural services	7,509,821	7,499,879
Debt charges	2,943,572	3,255,234
Transfers to own reserve accounts and other funds	2,103,264	829,871
Conditional transfers to other governments	2,519,170	2,458,460
Unconditional transfers to other governments	824,817	914,069
Miscellaneous	384,515	307,566
Transmission of taxes levied for other governments	26,221,659	25,246,629
	75,550,226	72,497,324
SURPLUS FOR THE YEAR	$ 298,086	$ 102,819

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
CONSOLIDATED STATEMENT OF EQUITY IN FIXED ASSETS

STATEMENT C

	Year Ended December 31 1985	1984
BALANCE AT BEGINNING OF YEAR	$ 91,173,475	$ 88,556,031
ADD		
Transfers from own funds	17,430,389	2,736,798
Grants and contributions	1,271,388	-
Retirement of debentures	1,406,283	1,637,243
	111,281,535	92,930,072
DEDUCT		
Depreciation	6,273,230	345,110
Cost of assets sold	290,292	262,500
Library assets written-off	-	1,120,814
Other	15,000	28,173
	6,578,522	1,756,597
BALANCE AT END OF YEAR	$104,703,013	$ 91,173,475

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FUNDS

STATEMENT D

	Year Ended December 31 1985	1984
SOURCE OF FUNDS		
Transfer from own funds for acquisition of fixed assets	$ 3,049,658	$ 2,736,798
Sale of fixed assets	575,928	1,796,296
Grants and contributions	1,271,388	-
	4,896,974	4,533,094
APPLICATION OF FUNDS		
Expenditure for fixed assets	5,102,787	8,389,069
Transfers to:		
General Revenue Fund	15,000	28,174
Tax Sale Lands Reserve Fund	576,011	1,796,296
	5,693,798	10,213,539
DECREASE IN UNEXPENDED CAPITAL FUNDS	(796,824)	(5,680,445)
Unexpended Capital Funds at Beginning of Year	1,326,126	7,006,571
UNEXPENDED CAPITAL FUNDS AT END OF YEAR	$ 529,302	$ 1,326,126

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
BALANCE SHEET

	December 31 1985	1984
ASSETS		
CASH	$ 557,554	$ 2,110,662
RECEIVABLES		
Property taxes - Schedule 1	3,838,485	4,278,294
Federal government	1,226,392	208,632
Provincial government	508,527	561,773
Regional and other local governments	593,579	786,660
Own funds:		
Water Distribution Revenue	731,931	747,788
Trust and Agency	19,676	673
General Capital	64,147	-
Other	663,775	850,996
	7,646,512	7,434,816
MATERIALS AND SUPPLIES	650,219	634,262
PROPERTY ACQUIRED FOR TAXES		
Deeded to municipality, at cost	82,320	83,028
Subject to redemption	87,032	348,171
	169,352	431,199
OTHER ASSETS		
Deferred charges	226,409	138,408
Municipal Finance Authority Debt Reserve Fund deposits - Note C	582,149	835,080
	808,558	973,488
	$ 9,832,195	$ 11,584,427

APPROVED BY THE DIRECTOR OF FINANCE

See Notes to Financial Statements

	December 31 1985	1984
LIABILITIES AND SURPLUS		
PAYABLES		
Federal government	$ -	$ 195,224
Provincial government	91,373	98,230
Regional and other local governments	1,128,551	1,348,513
Own funds:		
Sewer and Storm Drain Enterprise Capital	501,397	659,083
General Capital	-	667,043
Reserve	503,904	1,232,524
Water Distribution Capital	92,052	-
Trade accounts and accrued liabilities	3,615,313	2,463,871
Debenture principal and interest due	60,577	85,630
	5,993,167	6,750,118
OTHER LIABILITIES		
Prepaid property taxes	134,761	126,427
Sundry	479,367	616,076
Municipal Finance Authority Debt		
Reserve Fund deposits:		
Cash deposits	149,719	180,482
Demand notes - Note C	432,430	654,598
	1,196,277	1,577,583
RESERVES		
Future expenditure	781,808	1,620,678
Uncollected business taxes and licenses	91,500	142,447
Sick leave payout	400,000	200,000
Uncollectable accounts receivable	92,500	107,754
Working capital	1,000,000	1,000,000
Property acquired for taxes	82,320	83,028
	2,448,128	3,153,907
SURPLUS	194,623	102,819
	$ 9,832,195	$ 11,584,427

CONTINGENT LIABILITIES - Note E

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
STATEMENT OF SURPLUS

STATEMENT F

	Year Ended December 31 1985	1984
BALANCE AT BEGINNING OF YEAR	$ 102,819	$ 85,630
Deduct surplus appropriated for current year	102,819	85,630
	-	-
Add surplus for the year	194,623	102,819
BALANCE AT END OF YEAR	$ 194,623	$ 102,819

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE

STATEMENT G

	Year Ended December 31 1985	1984
REVENUE		
Taxes - Schedule 2	$ 28,872,055	$ 26,754,826
Grants in lieu of taxes - Schedule 3	3,833,802	4,185,817
Sales of services - Schedule 4	5,184,765	4,824,696
Other revenue from own sources - Schedule 5	4,077,627	4,214,535
Unconditional transfers from other governments	2,515,610	2,566,282
Conditional transfers from other governments - Schedule 6	150,465	160,636
Transfers from own Water Distribution Revenue Fund - Statement Q	-	67,013
Miscellaneous - Schedule 7	1,225,347	1,167,995
Taxes levied on behalf of other governments - Schedule 8	26,221,659	25,246,629
	72,081,330	69,188,429
Surplus appropriated from previous year	102,819	85,630
	72,184,149	69,274,059
EXPENDITURE		
Executive and administrative - Schedule 9	2,952,768	2,562,548
General government - Schedule 10	1,446,150	1,699,079
Grants - Schedule 11	357,605	385,739
Protective services - Schedule 12	13,590,391	13,513,091
Public works and traffic engineering - Schedule 13	7,348,739	7,093,633
Environmental health services - Schedule 14	2,420,007	2,721,365
Public health - Schedule 15	127,005	133,162
Environmental development services - Schedule 16	558,994	557,379
Recreation and cultural services - Schedule 17	7,509,821	7,499,879
Debt charges - Schedule 18	2,112,748	2,952,814
Transfers to own reserve accounts and other funds - Schedule 19	4,936,489	2,389,462
Conditional transfers to other governments - Schedule 20	1,219,306	1,204,051
Unconditional transfers to other governments	824,817	914,069
Miscellaneous	363,027	298,340
Transmission of taxes levied for other governments	26,221,659	25,246,629
	71,989,526	69,171,240
SURPLUS FOR THE YEAR	$ 194,623	$ 102,819

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
BALANCE SHEET

STATEMENT H

	December 31 1985	1984
ASSETS		
UNEXPENDED FUNDS		
Receivable from General Revenue Fund	$ -	$ 667,043
FIXED ASSETS		
Engineering structures, buildings, machinery and equipment, and land - Schedule 21	86,485,771	84,020,362
Work in progress - Schedule 22	478,698	9,132,919
	86,964,469	93,153,281
	$ 86,964,469	$ 93,820,324
LIABILITIES AND EQUITY IN CAPITAL ASSETS		
CURRENT LIABILITIES		
Payable to General Revenue Fund	$ 64,147	$ -
LONG-TERM DEBT		
Authorized debenture debt - Note D Schedule 23	4,591,954	9,566,074
	4,656,101	9,566,074
EQUITY IN CAPITAL ASSETS - Statement I	82,308,368	84,254,250
	$ 86,964,469	$ 93,820,324

CONTINGENT LIABILITIES - Note E

APPROVED BY THE DIRECTOR OF FINANCE

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS

STATEMENT I

	Year Ended December 31 1985	1984
BALANCE AT BEGINNING OF YEAR	$ 84,254,250	$81,795,520
ADD		
Assets acquired by transfers from:		
General Revenue Fund - Schedule 24	655,150	1,012,466
Reserve Funds	1,319,302	1,323,835
Grants and contributions		
General Revenue Fund	512,507	-
Retirement of debentures	1,229,016	1,533,917
	87,970,225	85,665,738
DEDUCT		
Cost of capital assets realized - proceeds transferred to Tax Sale Lands Reserve Fund	290,292	262,500
Unspent appropriation re-credited to General Revenue Fund	15,000	28,174
Library assets written-off	-	1,120,814
Assets disposed of by transfer to Sewer and Storm Drain Enterprise Capital Fund - Note B	5,356,565	-
	5,661,857	1,411,488
BALANCE AT END OF YEAR	$ 82,308,368	$ 84,254,250

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

STATEMENT J

	Year Ended December 31 1985	1984
SOURCE OF FUNDS		
Transfer from other funds for disposal of assets:		
Sewer and Storm Drain Enterprise Capital Fund	$ 454,702	$ -
Transfers from other funds for acquisition of assets:		
General Revenue Fund - Schedule 24	655,150	1,012,466
Reserve Funds	1,319,302	1,323,835
Sale of fixed assets	575,928	1,796,296
Grants and contributions		
General Revenue Fund	512,507	-
	3,517,589	4,132,597
APPLICATION OF FUNDS		
Expenditure for fixed assets - Schedule 25	3,657,768	7,985,072
Transfers to:		
General Revenue Fund	15,000	28,174
Reserve Funds		
Tax Sale Lands	576,011	1,796,296
	4,248,779	9,809,542
DECREASE IN UNEXPENDED FUNDS	(731,190)	(5,676,945)
Unexpended Funds at Beginning of Year	667,043	6,343,988
UNEXPENDED (OVEREXPENDED) FUNDS AT END OF YEAR	$ (64,147)	$ 667,043

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
RESERVE FUNDS
BALANCE SHEET

STATEMENT K

	December 31 1985	1984
ASSETS		
CASH	$ 3,276,629	$ 5,746,072
INVESTMENTS, at cost - Schedule 26	6,664,360	2,482,830
RECEIVABLES		
General Revenue Fund	503,904	1,232,524
Future local improvement levies	218,442	245,557
	722,346	1,478,081
	$ 10,663,335	$ 9,706,983
FUND BALANCES		
FUND BALANCES - Statement L		
Memorial Arena	$ 124,614	$ 87,711
Athletic Events	1,465	1,345
Machinery and Equipment Replacement	3,408,137	3,134,896
Thetis Lake Development	82,000	66,867
Offstreet Parking	4,149,625	3,802,620
Tax Sale Lands	2,262,012	2,028,711
Local Improvement	635,482	584,833
	$ 10,663,335	$ 9,706,983

APPROVED BY THE DIRECTOR OF FINANCE

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 1985

	Memorial Arena	Athletic Events
BALANCE AT BEGINNING OF YEAR	$ 87,711	$ 1,345
ADD		
Interest received	5,838	120
Transfers from:		
General Revenue Fund	-	-
Ticket tax received	31,065	-
Proceeds from sale of capital assets	-	-
Thetis Lake Park revenue	-	-
	124,614	1,465
DEDUCT		
Transfers to:		
General Capital Fund	-	-
BALANCE AT END OF YEAR	$ 124,614	$ 1,465

See Note to Financial Statements

Machinery and Equipment Replacement	Thetis Lake Development	Offstreet Parking	Tax Sale Lands	Local Improvement	Total
$ 3,134,896	$ 66,867	$ 3,802,620	$ 2,028,711	$ 584,833	$ 9,706,983
318,656	5,705	347,005	118,166	50,649	846,139
646,792	914	-	-	-	647,706
-	-	-	-	-	31,065
-	-	-	735,928	-	735,928
-	14,816	-	-	-	14,816
4,100,344	88,302	4,149,625	2,882,805	635,482	11,982,637
692,207	6,302	-	620,793	-	1,319,302
$ 3,408,137	$ 82,000	$ 4,149,625	$ 2,262,012	$ 635,482	$ 10,663,335

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
RESERVE FUNDS
TAX SALE LANDS
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

STATEMENT M

	Year Ended December 31 1985	1984
SOURCE OF FUNDS		
Interest received	$ 118,166	$ 120,651
Proceeds from sale of capital assets	735,928	1,796,296
	854,094	1,916,947
APPLICATION OF FUNDS		
Transfers to General Capital Fund		
Tax Sale Money Expenditure By-Laws		
No. 82-114 1773 Ross Street Bylaw #1	-	235,000
No. 83-90 Garbally Yard Stores Construction	-	11,259
No. 84-9 IBM S/38 Computer	-	434,000
No. 84-24 Cook Street Renewal Project	-	65,600
No. 84-88 1773 Ross Street Bylaw #2	-	40,000
No. 83-78 Police Department Computer	(22,000)	27,372
No. 83-117 Crystal Pool Heat Pumps and		
No. 83-143 Exhaust Equipment	165,447	13,409
No. 84-77 Godfeldt Servicing	49,455	120,550
No. 84-124 700 Block Yates	552	78,713
No. 84-151 Ross Bay Seawall	24,000	-
No. 85-13 Malahat Building Renovations	35,613	
No. 85-19 E&N Station Parking	50,000	-
No. 85-33 Crystal Pool Heat Pumps	60,661	-
No. 85-58 Maynard Court Remodelling	53,429	-
No. 85-84 Inner Harbour Floats	52,180	-
No. 85-98 Computer Mapping System	62,456	-
No. 85-115 Informational Pillars	14,000	-
No. 85-122 IBM S/38 Computer Up-Grade	75,000	-
	620,793	1,025,903
INCREASE IN UNEXPENDED FUNDS	233,301	891,044
Unexpended Funds at Beginning of Year	2,028,711	1,137,667
UNEXPENDED FUNDS AT END OF YEAR	$ 2,262,012	$ 2,028,711

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
TRUST AND AGENCY FUNDS
BALANCE SHEET

STATEMENT N

	December 31 1985	1984
ASSETS		
CASH	$ 120,979	$ 48,546
INVESTMENTS, at cost - Schedule 27	163,519	197,240
	$ 284,498	$ 245,786
FUND BALANCES		
FUND BALANCES - Statement O		
Mountain View Home Entertainment	$ 48,289	$ 43,420
Ross Bay Cemetery Grass Plots Maintenance	211,283	196,443
M. Gibbs Estate	5,000	5,000
Deposits	250	250
	264,822	245,113
PAYABLES		
General Revenue Fund	19,676	673
	$ 284,498	$ 245,786

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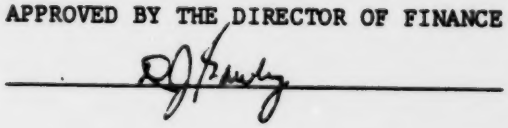

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
TRUST AND AGENCY FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 1985

	Mountain View Home Entertainment	Ross Bay Cemetery Grass Plots Maintenance
BALANCE AT BEGINNING OF YEAR	$ 43,420	$ 196,443
ADD		
Interest received	4,869	23,679
Perpetual maintenance receipts and sales	-	14,840
	48,289	234,962
DEDUCT		
Transfer to General Revenue Fund	-	23,679
BALANCE AT END OF YEAR	$ 48,289	$ 211,283

See Notes to Financial Statements

	M. Gibbs Estate	Deposits	Total
	$ 5,000	$ 250	$ 245,113
	443	48	29,039
	-	-	14,840
	5,443	298	288,992
	443	48	24,170
	$ 5,000	$ 250	$ 264,822

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
WATER DISTRIBUTION REVENUE FUND
BALANCE SHEET

STATEMENT P

	December 31 1985	1984
ASSETS		
CURRENT ASSETS		
Accounts receivable - Consumers		
Billed	$ 226,294	$ 212,035
Unbilled	501,800	427,017
Materials and supplies	232,300	233,736
	$ 960,394	$ 872,788
LIABILITIES AND SURPLUS		
CURRENT LIABILITIES		
General Revenue Fund	$ 731,931	$ 747,788
RESERVE		
Working capital	125,000	125,000
	856,931	872,788
SURPLUS	103,463	-
	$ 960,394	$ 872,788

APPROVED BY THE DIRECTOR OF FINANCE

D. J. Handley

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
WATER DISTRIBUTION REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE

STATEMENT Q

	Year Ended December 31 1985	1984
REVENUE		
Sale of water	$ 2,948,968	$ 2,619,882
Service connection fees - Schedule 29	-	129,625
Fines and miscellaneous	7,700	26,287
	2,956,668	2,775,794
EXPENDITURE		
Administration and general	197,516	194,473
Customers' billing and collection	142,044	136,617
Water purchased	972,266	830,611
Distribution operation and maintenance - Schedule 28	612,710	832,972
System replacement	-	368,998
Capital expenditure out of revenue - Schedule 29	928,669	345,110
Transfer to General Revenue Fund	-	67,013
	2,853,205	2,775,794
SURPLUS FOR THE YEAR	103,463	-
Surplus at Beginning of Year	-	-
SURPLUS AT END OF YEAR	$ 103,463	$ -

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
WATER DISTRIBUTION CAPITAL FUND
BALANCE SHEET

STATEMENT R

	December 31 1985	1984
ASSETS		
UNEXPENDED FUNDS		
Receivable from General Revenue Fund	$ 92,052	$ -
FIXED ASSETS - Note B		
Utility plant, machinery and equipment, at cost	15,217,349	8,592,841
Less accumulated depreciation	6,273,230	8,592,841
	8,944,119	-
	$ 9,036,171	$ -
EQUITY IN CAPITAL ASSETS	$ 9,036,171	$ -

APPROVED BY THE DIRECTOR OF FINANCE

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
WATER DISTRIBUTION CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS

STATEMENT S

	Year Ended December 31 1985	1984
BALANCE AT BEGINNING OF YEAR	$ -	$ -
ADD:		
Assets acquired by transfer from Water Distribution Revenue Fund - Schedule 29	928,669	345,110
Assets acquired due to change in capitalization policy - Note B	5,787,891	-
	6,716,560	345,110
DEDUCT:		
Depreciation		
Current	233,045	345,110
Adjustment due to change in depreciation policy	(2,552,656)	-
	(2,319,611)	345,110
BALANCE AT END OF YEAR	$ 9,036,171	$ -

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
WATER DISTRIBUTION CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

STATEMENT T

	Year Ended December 31 1985	1984
SOURCE OF FUNDS		
Transfers from other funds for acquisition of assets		
Water Distribution Revenue Fund	$ 928,669	$ 345,110
APPLICATION OF FUNDS		
Expenditure for fixed assets	836,617	345,110
INCREASE IN UNEXPENDED FUNDS AND UNEXPENDED FUNDS AT END OF YEAR	$ 92,052	$ -

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
SEWER AND STORM DRAIN EXTERPRISE REVENUE FUND
BALANCE SHEET

STATEMENT U

	December 31 1985	1984
ASSETS		
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND DEPOSITS	$ 415,497	$ 136,218
LIABILITIES		
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND DEPOSITS		
Cash deposits	$ 92,443	$ 35,333
Demand notes - Note C	323,054	100,885
	$ 415,497	$ 136,218

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See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
SEWER AND STORM DRAIN ENTERPRISE REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE

STATEMENT V

	Year Ended December 31 1985	1984
REVENUE		
Taxes		
Special assessments		
Sewer rental	$ 75,823	$ 75,179
Sewer construction	27,865	27,862
Unconditional transfer from provincial government	459,845	409,397
Sales of services		
Sewer connections	139,750	98,724
Other	4,212	6,141
Transfer from General Revenue Fund	3,528,606	1,559,591
	4,236,101	2,176,894
EXPENDITURE		
Environmental health services		
Administration	269,988	127,206
Maintenance and operation	972,019	428,648
Replacement of services	11,423	-
Extension of services	135,114	54,985
Debt charges		
Principal	177,267	103,326
Interest	635,127	187,923
Temporary debt charges	18,430	11,171
Miscellaneous	21,488	9,226
Conditional transfers to Capital Regional District		
Septage disposal	2,560	-
Sewer maintenance	98,526	127,124
Sewer debt	1,198,778	1,127,285
Transfer to Sewer and Storm Drain Enterprise Capital Fund	695,381	-
	4,236,101	2,176,894
SURPLUS FOR THE YEAR	$ -	$ -

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
SEWER AND STORM DRAIN ENTERPRISE CAPITAL FUND
BALANCE SHEET

STATEMENT W

	December 31 1985	1984
ASSETS		
UNEXPENDED FUNDS		
Receivable from General Revenue Fund	$ 501,397	$ 659,083
FIXED ASSETS, at cost		
Engineering structures	17,828,869	7,334,426
Machinery and equipment	30,461	6,474
Work in progress	267,190	620,845
	18,126,520	7,961,745
	$ 18,627,917	$ 8,620,828
LIABILITIES AND EQUITY IN CAPITAL ASSETS		
DEBENTURE DEBT - Note D		
Authorized and issued	$ 5,269,443	$ 1,701,604
EQUITY IN CAPITAL ASSETS - Statement X	13,358,474	6,919,224
	$ 18,627,917	$ 8,620,828

APPROVED BY THE DIRECTOR OF FINANCE

D.J. Bowley

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
SEWER AND STORM DRAIN ENTERPRISE CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS

STATEMENT X

	Year Ended December 31 1985	1984
BALANCE AT BEGINNING OF YEAR	$ 6,919,224	$ 6,760,511
ADD:		
Assets acquired by transfer from:		
General Capital Fund - Note B	5,356,565	-
Sewer and Storm Drain Enterprise Revenue Fund	146,537	55,387
Retirement of debentures	177,267	103,326
Grants and contributions:		
Provincial Capital Commission	63,500	-
Sewer and Storm Drain Enterprise Revenue Fund	695,381	-
BALANCE AT END OF YEAR	$ 13,358,474	$ 6,919,224

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
SEWER AND STORM DRAIN ENTERPRISE CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

STATEMENT Y

	Year Ended December 31 1985	1984
SOURCE OF FUNDS		
Transfers from other funds for acquisition of assets		
Sewer and Storm Drain Enterprise Revenue Fund	$ 146,537	$ 55,387
Grants and contributions		
Provincial Capital Commission	63,500	
Sewer and Storm Drain Enterprise Revenue Fund	695,381	-
	905,418	55,387
APPLICATION OF FUNDS		
Transfers to other funds for acquisition of assets		
General Capital Fund	454,702	-
Expenditure for fixed assets	608,402	58,887
	1,063,104	58,887
DECREASE IN UNEXPENDED FUNDS	(157,686)	(3,500)
Unexpended Funds at Beginning of Year	659,083	662,583
UNEXPENDED FUNDS AT END OF YEAR	$ 501,397	$ 659,083

See Notes to Financial Statements

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
DECEMER 31, 1985

NOTE A GENERAL

The Corporation of the City of Victoria is incorporated under the provisions of the British Columbia Municipal Act. The activities of the Corporation are carried out through the following funds:

General Revenue Fund
General Capital Fund
Reserve Funds
Trust and Agency Funds
Water Distribution Revenue Fund
Water Distribution Capital Fund
Sewer and Storm Drain Enterprise Revenue Fund
Sewer and Storm Drain Enterprise Capital Fund

The following administrative bodies are under significant control of the Corporation and therefore are included in the reports made available to the ratepayers.

Greater Victoria Public Library Board
Victoria and Saanich Mount Douglas Park Committee

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Corporation conform to generally accepted accounting principles as applicable to local governments. The following is a summary of the more significant policies:

Basis of Presentation

The Corporation follows the fund basis of accounting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Currently in use are:

1) General Revenue Fund - To account for all financial resources except those required to be accounted for in another fund. The General Revenue Fund is the Corporation's operating fund.

2) General Capital Fund - To account for all fixed assets of the Corporation and related long-term liabilities, except those accounted for in the Water Distribution and Sewer and Storm Drain Enterprise Capital Funds.

3) Reserve Funds - To account for activities within designated funds established for specific purposes with the approval of the Minister of Municipal Affairs. The funds are governed by by-laws defining their purpose, and are funded primarily by budgetary contributions from the General Revenue Fund plus interest earned on fund balances.

4) Trust and Agency Funds - To account for assets held by the Corporation in a trustee capacity or as an agent.

5) Distribution and Enterprise Funds - To account for operations that are financed and operated in a manner similar to private business operations - where the intent is that the costs of providing the services on a continuing basis be financed or recovered primarily through user charges.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Accounting for all funds is on a modified accrual basis which is full accrual except for accrued interest on long-term debt. Under this basis payment of debt and interest are recorded as an expenditure in the year of payment.

Consolidated Financial Statements

For overall financial information purposes consolidated financial statements have been provided. Inter-fund transfers of an operating nature have been eliminated.

Investments

Investments are carried at cost.

Material and Supplies

Inventories of materials and supplies are valued at cost with allowances made for damaged or obsolete goods.

Fixed Assets

Fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are capitalized in the related Capital Fund. Donated fixed assets are reported at estimated fair value at the time received. During 1985, capitalization in the Water Distribution Capital Fund was changed to reflect the requirements of the Comptroller of Water Rights for the Province of British Columbia. As a result, fixed assets have been increased by $5,787,891. Also during 1985, all storm drain fixed assets were transferred from the General Capital Fund to the Sewer and Storm Drain Enterprise Capital Fund.

Depreciation

The Corporation does not reflect depreciation in the accounts except in the Water Distribution Capital Fund. Along with the change in capitalization policy mentioned above, the depreciation policy has been changed to a 50 year straight line basis. The previous policy of fully depreciating capital assets in the year of acquisition has been discontinued. This has resulted in a decrease in accumulated depreciation of $2,552,656.

Commitment Accruals

Included as payables at year end are commitments arising from purchase orders issued but not yet fulfilled. To the extent that these commitments for goods and services are not realized, the amount is brought into revenue the following year.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Payroll Benefits

Sick leave and holiday pay are recorded in the year they are paid and are not accrued in the financial statements, except as disclosed in Note E to the financial statements.

Reserve Accounts

Reserve accounts are established within the General Revenue Fund to provide for specific requirements.

Equity in Fixed Assets

The repayment by a Revenue Fund of the debt of the related Capital Fund is recorded as an increase of the Equity in Fixed Assets.

Appropriation of Prior Year's Surplus

The budgetary process results in the prior year's surplus being appropriated as revenue in the current year, except for the surplus in the Water Distribution Revenue Fund.

NOTE C MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND

Under the borrowing arrangements with the Municipal Finance Authority the Corporation is required to lodge security by means of demand notes and interest bearing cash deposits, based on the amount of the borrowing. As the debt principal is retired, the demand notes are released and the cash deposits are refunded and recorded as operating income in the period received. Included in demand notes are certain notes recorded in United States currency amounting to U. S. $288,179 (1984 U. S. $288,179). These notes are carried at face value without provision for foreign exchange fluctuations.

NOTE D AUTHORIZED DEBENTURE DEBT

Included in debenture debt are debentures recorded in United States dollars as follows:

	1985	1984
General Capital Fund	$ 274,156	$1,240,258
Sewer and Storm Drain Enterprise Capital Fund	755,794	822,267
	$1,029,950	$2,062,525

Should this debt have been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1985, the Municipality's liability for such debenture debt would have exceeded the amount recorded in its accounts by approximately $415,000 (1984 - $694,000).

NOTE E CONTINGENT LIABILITIES

Payroll Benefits

The estimated liability for unrecorded sick leave at December 31, 1985 is approximately $2,817,000 (1984 - $2,826,000). These amounts are payable upon retirement. Current retirements are recorded as an expense during the year that payment is made. During 1984 a reserve account was established to begin funding the accumulated past service liability.

Regional District Debt

Regional District Debt is, under the provisions of the Municipal Act, a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Victoria.

Greater Victoria Water District Debt

Water District debt, under the provisions of the Greater Victoria Water District Act is a direct, joint and several liability of the Water District and each municipality within the District, including The Corporation of the City of Victoria.

Legal Matters

In the normal course of a year the City is faced with law suits for damages of diverse natures. In terms of its insurance policy the City is responsible for the first $15,000 of any one incident - claim. At year end the City's estimated exposure to such liabilities is not considered to be significant. When claims are paid as a result of litigation the expense is charged to the General Government expense category.

NOTE F SUBSEQUENT EVENT

Effective January 1, 1986, the Corporation of the City of Victoria has chosen not to renew its comprehensive general liability insurance policy. The decision to self-insure is being monitored on an on-going basis.

NOTE G COMPARATIVE FIGURES

The comparative figures have been restated to conform with the presentation format adopted in the current year.

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
PROPERTY TAXES RECEIVABLE
YEAR ENDED DECEMBER 31

	1985	
	Current Year's Levy	Arrears
BALANCE AT BEGINNING OF YEAR	$ -	$ 2,873,895
ADD		
Current year's levy	55,152,480	-
Penalties and interest	456,390	95,418
	55,608,870	2,969,313
DEDUCT		
Tax collections		
Cash (taxes only)	51,654,466	1,984,679
Penalties and interest	198,407	-
	51,852,873	1,984,679
Transfer to Tax Sale Account	40,252	36,426
Adjustments	731,438	94,030
	52,624,563	2,115,135
BALANCE AT END OF YEAR	$ 2,984,307	$ 854,178

NOTE: Interest added to arrears represents interest on both arrears and delinquent taxes.

SCHEDULE 1

1985		1984
Delinquent	Total	Total
$ 1,404,399	$ 4,278,294	$ 4,409,516
-	55,152,480	50,313,719
-	551,808	557,830
1,404,399	59,982,582	55,281,065
1,259,420	54,898,565	50,213,203
-	198,407	144,218
1,259,420	55,096,972	50,357,421
37,395	114,073	347,936
107,584	933,052	297,414
1,404,399	56,144,097	51,002,771
$ -	$ 3,838,485	$ 4,278,294

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
TAXES

SCHEDULE 2

	Year Ended December 31 1985	1984
GENERAL TAXATION (excluding school taxes)		
General and debt rate levy	$ 25,796,125	$ 22,061,186
Capital Regional District levy	2,519,038	2,458,459
	28,315,163	24,519,645
Utility 1% tax	174,871	171,242
Business tax	-	1,710,553
	28,490,034	26,401,440
SPECIAL ASSESSMENTS		
Local improvements	47,670	47,880
Land buyers	792	13,637
Boulevard frontage	333,559	291,869
	382,021	353,386
	$ 28,872,055	$ 26,754,826

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
GRANTS IN LIEU OF TAXES

SCHEDULE 3

	Year Ended December 31 1985	1984
FEDERAL GOVERNMENT	$ 1,186,057	$ 1,092,193
CANADIAN BROADCASTING CORPORATION	-	20,761
PROVINCIAL GOVERNMENT	2,155,754	2,604,874
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY	453,436	427,894
BRITISH COLUMBIA HOUSING COMMISSION	38,555	40,095
	$ 3,833,802	$ 4,185,817

SALES OF SERVICES

SCHEDULE 4

	Year Ended December 31 1985	1984
GENERAL GOVERNMENT		
Intermunicipal service charges	$ 208,041	$ 214,919
PROTECTIVE SERVICES		
Sundry	194,400	150,557
TRANSPORTATION		
Parking meters	586,318	585,585
Parking lots	150,810	164,238
Inner harbour floats	25,023	27,716
Parking facilities	1,325,352	1,256,351
	2,087,503	2,033,890
ENVIRONMENTAL HEALTH SERVICES		
Garbage and waste collection and disposal	488,004	356,619
RECREATION SERVICES		
Victoria Memorial Arena - Schedule 30	1,503,352	1,360,216
Crystal Pool - Schedule 31	414,470	422,364
Royal Athletic Park	116,678	118,759
Recreation Programming	58,106	62,178
Other Parks	114,211	105,194
	2,206,817	2,068,711
	$ 5,184,765	$ 4,824,696

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
OTHER REVENUE FROM OWN SOURCES

SCHEDULE 5

	Year Ended December 31 1985	1984
LICENSES		
Trade	$ 548,326	$ 478,362
Taxicab	24,316	19,375
Vending machines	32,780	32,619
Commercial vehicle	30,894	24,192
Dog	27,715	30,314
	664,031	584,862
PERMITS		
Building	298,956	218,761
Plumbing	55,124	45,921
Electrical	171,583	180,990
	525,663	445,672
FINES		
Municipal by-laws	1,187,397	1,049,006
RENTALS AND LEASES	478,079	495,887
INTEREST AND PENALTIES		
Interest on cash and investments	476,448	875,160
Interest on arrears and delinquent taxes	293,004	366,618
Penalties on current taxes	453,005	384,998
Penalties on business tax	-	12,332
	1,222,457	1,639,108
	$ 4,077,627	$ 4,214,535

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS

SCHEDULE 6

	Year Ended December 31 1985	1984
FEDERAL GOVERNMENT		
Jail operation	$ 10,901	$ 8,029
PROVINCIAL GOVERNMENT		
Emergency Measures Organization	676	1,450
Jail operation	72,017	90,660
	72,693	92,110
OTHER MUNICIPALITIES		
Jail operation	15,704	18,060
Victoria and Saanich Mount Douglas Park Committee	51,167	42,437
	66,871	60,497
	$ 150,465	$ 160,636

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
MISCELLANEOUS REVENUE

SCHEDULE 7

	Year Ended December 31 1985	1984
SERVICE WORK FOR OUTSIDE AGENCIES	$ 89,432	$ 240,730
EQUIPMENT DEPRECIATION RECOVERIES	646,792	566,277
DEPARTMENTAL SUPERVISION	128,048	129,681
OTHER	361,075	231,307
	$ 1,225,347	$ 1,167,995

TAXES LEVIED ON BEHALF OF OTHER GOVERNMENTS

SCHEDULE 8

	Year Ended December 31 1985	1984
SCHOOL AUTHORITIES	$ 23,199,508	$ 22,504,939
CAPITAL REGIONAL HOSPITAL DISTRICT	2,436,692	2,201,820
BRITISH COLUMBIA ASSESSMENT AUTHORITY	577,327	532,372
MUNICIPAL FINANCE AUTHORITY	8,132	7,498
	$ 26,221,659	$ 25,246,629

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
EXECUTIVE AND ADMINISTRATIVE

SCHEDULE 9

	Year Ended December 31 1985	1984
EXECUTIVE		
Council indemnities and expenses	$ 128,191	$ 124,346
MUNICIPAL MANAGER'S OFFICE	460,752	428,781
DEPARTMENT OF FINANCE		
Accounting and administration	395,706	622,106
Collections	830,820	223,738
Data processing	291,253	301,774
Purchasing and stores	245,727	231,165
SOLICITOR'S DEPARTMENT	141,027	135,837
AUDITORS	38,000	35,500
ARBITRATION AND LEGAL COSTS	-	32,271
PERSONNEL OFFICE	186,439	181,629
BUILDING MAINTENANCE	234,853	245,401
	$ 2,952,768	$ 2,562,548

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
GENERAL GOVERNMENT

SCHEDULE 10

	Year Ended December 31 1985	1984
ELECTIONS	$ 29,371	$ 112
CONVENTIONS AND TRAINING COURSES	9,593	8,514
SUPERANNUATION Past service	7,568	39,368
TELEPHONE	90,511	101,871
POSTAGE	55,073	54,198
INSURANCE	152,580	80,381
TRAVELLING	756	2,550
ADVERTISING	13,507	19,440
MEMBERSHIP FEES AND PUBLICATIONS	15,488	11,659
PARADE FLOATS	18,064	18,290
CITY HALL DECORATIONS	7,017	6,423
GREATER VICTORIA LABOUR RELATIONS ASSOCIATION	39,721	37,881
MISCELLANEOUS	367,220	551,122
PROPERTY MAINTENANCE	405,752	489,588
COMMUNITY CENTRES	233,929	277,682
	$ 1,446,150	$ 1,699,079

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
GRANTS

SCHEDULE 11

	Year Ended December 31 1985	1984
AFRICAN FAMINE RELIEF	$ 300	$ -
ART GALLERY OF GREATER VICTORIA	24,011	21,870
BASTION THEATRE	16,807	17,721
BELFRY CULTURAL CENTRE	5,202	4,737
CANADIAN CORPS OF COMMISSIONAIRES	-	250
CANADIAN NAVAL CELEBRATION	6,680	-
CANADIAN HOSTELLING ASSOCIATION	7,000	1,000
CANADIAN PARAPLEGIC ASSOCIATION	-	194
CENTENNIAL STADIUM	11,202	12,154
COMMUNITY ARTS COUNCIL	2,801	2,406
COMMUNITY COUNCIL OF GREATER VICTORIA	6,904	6,579
DOWNTOWN PROMOTION	30,000	40,232
DUNKIRK VETERANS' ASSOCIATION	300	-
FAIRFIELD SENIOR CITIZENS	1,500	-
FERNWOOD FAIR	500	-
FOUR SEASONS MUSICAL THEATRE SOCIETY	1,200	1,706
GREAT CANADIAN PARTICIPACTION CHALLENGE	200	-
GREATER VICTORIA ARCHIVES SOCIETY	1,100	-
GREATER VICTORIA CHRISTMAS BUREAU	1,624	1,548
GREATER VICTORIA FAMILY COURT COMMITTEE	610	611
GREATER VICTORIA FESTIVAL SOCIETY	81,201	81,290
GREATER VICTORIA VISITORS INFORMATION CENTRE	29,500	24,500
INTEGRATED RECREATION SERVICES	12,300	6,602
INTER-CULTURAL ASSOCIATION	5,147	3,759

(CONTINUED)

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
GRANTS

SCHEDULE 11
(Continued)

	Year Ended December 31 1985	1984
ISLANDS '86	$ 3,500	$ -
KALEIDOSCOPE THEATRE	5,202	4,572
LEFTHANDED GOLFERS ASSOCIATION	400	-
McPHERSON THEATRE FOUNDATION	24,322	36,544
MARITIME MUSEUM	2,001	3,199
MARK SUTTON	489	-
NEED - Victoria Crisis Line	6,904	6,966
OPEN SPACE	3,402	1,693
OXFAM	-	500
PACIFIC OPERA	5,814	12,443
PHYSICALLY HANDICAPPED ACTION SOCIETY	1,163	-
POLICEMEN'S UNION	-	6,252
PRO-ART	1,000	
REMEMBRANCE DAY COMMITTEE	122	122
ROYAL CANADIAN GOLF ASSOCIATION	500	-
ROYAL VICTORIA MARATHON	800	-
SILVER THREADS SERVICE	16,150	16,988
SKATE CANADA	-	4,075
STEVE FONYO	1,000	-
U VIC DEBATING SOCIETY	-	300
VANCOUVER ISLAND RECYCLING SOCIETY	-	5,000
VICTORIA CITY ROWING CLUB	-	20,000
VICTORIA CHORAL SOCIETY	-	495
VICTORIA CONSERVATORY OF MUSIC	7,703	8,295

(CONTINUED)

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
GRANTS

SCHEDULE 11
(Continued)

	Year Ended December 31 1985	1984
VICTORIA INTERNATIONAL FESTIVAL	$ 6,403	$ 4,612
VICTORIA OPERATIC SOCIETY	1,200	918
VICTORIA SEXUAL ASSAULT CENTRE	1,015	1,161
VICTORIA SYMPHONY SOCIETY	19,209	20,069
VICTORIA THEATRE GUILD	2,202	2,828
VICTORIA VOLUNTEER BUREAU	1,015	968
WESTERN INSTITUTE FOR THE DEAF	-	580
	$ 357,605	$ 385,739

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
PROTECTIVE SERVICES

SCHEDULE 12

	Year Ended December 31 1985	1984
POLICE PROTECTION	$ 7,781,509	$ 7,733,080
FIRE PROTECTION	5,199,457	5,157,795
EMERGENCY MEASURES ORGANIZATION	1,989	375
PROTECTIVE INSPECTIONS	503,336	517,741
SOCIETY FOR PREVENTION OF CRUELTY TO ANIMALS	104,100	104,100
	$ 13,590,391	$ 13,513,091

PUBLIC WORKS AND TRAFFIC ENGINEERING

SCHEDULE 13

	Year Ended December 31 1985	1984
ENGINEER'S OFFICE	$ 773,830	$ 754,197
STREETS, BRIDGES, AND SIDEWALKS	2,139,555	2,000,812
TRAFFIC SURVEYS, LIGHTS AND SIGNS	1,008,963	965,476
WORKSHOPS AND YARDS	125,256	161,397
PARKING METERS AND LOTS	636,297	534,022
PURCHASE OF NEW EQUIPMENT	5,219	13,641
HARBOUR FACILITIES AND SEA WALLS	246,051	99,135
PARKING FACILITIES	891,935	848,253
STREET CLEANING	652,263	585,454
STREET LIGHTING	779,938	890,516
SERVICE WORK FOR OUTSIDE AGENCIES	89,432	240,730
	$ 7,348,739	$ 7,093,633

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
ENVIRONMENTAL HEALTH SERVICES

SCHEDULE 14

	Year Ended December 31 1985	1984
STORM DRAIN MAINTENANCE AND OPERATION	$ -	$ 579,713
STORM DRAIN EXTENSION	-	54,985
STORM DRAIN REPLACEMENT	-	15,910
GARBAGE COLLECTION AND DISPOSAL	2,420,007	2,070,757
	$ 2,420,007	$ 2,721,365

PUBLIC HEALTH

SCHEDULE 15

	Year Ended December 31 1985	1984
ROSS BAY CEMETERY	$ 127,005	$ 133,162

ENVIRONMENTAL DEVELOPMENT SERVICES

SCHEDULE 16

	Year Ended December 31 1985	1984
HERITAGE HOUSING GRANTS	$ 60,004	$ 63,750
COMMUNITY PLANNING	498,990	493,629
	$ 558,994	$ 557,379

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
RECREATION AND CULTURAL SERVICES

SCHEDULE 17

	Year Ended December 31 1985	1984
RECREATION		
Parks administration	$ 320,400	$ 309,093
Victoria Memorial Arena - Schedule 30	1,638,507	1,534,784
Crystal Pool - Schedule 31	713,445	718,332
Royal Athletic Park	148,573	203,939
Recreation programme	147,408	152,981
Beacon Hill Park	512,715	515,514
McDonald Park	36,029	36,822
Topaz Park	57,912	64,946
Mount Douglas Park	90,655	79,614
Small parks	490,305	544,008
Capital improvement of parks	55,360	68,292
Tree maintenance	280,069	298,097
Downtown beautification	218,524	223,352
Boulevard and greens maintenance	478,965	460,717
Nursery and maintenance yard	369,287	330,138
Park concessions	17,652	16,630
Miscellaneous	290,870	311,227
Public receptions	57,312	52,186
Service work for outside agencies	-	4,675
	5,923,988	5,925,347
CULTURAL		
Greater Victoria Public Library	1,510,685	1,494,582
Archives	75,148	79,950
	1,585,833	1,574,532
	$ 7,509,821	$ 7,499,879

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
DEBT CHARGES

SCHEDULE 18

	Year Ended December 31 1985	1984
DEBENTURE DEBT CHARGES		
Principal	1,229,015	$ 1,413,917
Interest	572,378	1,172,185
TEMPORARY DEBT CHARGES	311,355	366,712
	$ 2,112,748	$ 2,952,814

TRANSFERS TO OWN RESERVE ACCOUNTS AND OTHER FUNDS

SCHEDULE 19

	Year Ended December 31 1985	1984
MACHINERY AND EQUIPMENT REPLACEMENT RESERVE FUND	$ 646,792	$ 566,277
THETIS LAKE DEVELOPMENT RESERVE FUND	914	6,590
OFFSTREET PARKING RESERVE FUND	-	9,124
SEWER AND STORM DRAIN ENTERPRISE REVENUE FUND	3,528,606	1,559,591
LOCAL IMPROVEMENT RESERVE FUND	47,670	47,880
GENERAL CAPITAL FUND	512,507	-
RESERVE ACCOUNT FOR FUTURE EXPENDITURE	200,000	200,000
	$ 4,936,489	$ 2,389,462

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL REVENUE FUND
CONDITIONAL TRANSFERS TO OTHER GOVERNMENTS

SCHEDULE 20

	Year Ended December 31	
	1985	1984
CAPITAL REGIONAL DISTRICT		
General administration	$ 320,112	$ 277,816
Parks capital contribution	278,238	260,218
Planning	(9,985)	10,206
Refuse	75,930	164,120
Health	555,292	534,679
Septage disposal	-	(42,988)
Economic development	(281)	-
	$ 1,219,306	$ 1,204,051

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
ENGINEERING STRUCTURES, BUILDINGS,
MACHINERY AND EQUIPMENT, AND LAND
YEAR ENDED DECEMBER 31, 1985

	Engineering Structures (at cost)	Buildings (at cost)
GENERAL GOVERNMENT		
Civic offices	$ -	$ 1,313,414
PROTECTIVE		
Police department	-	825,152
Fire department	63,300	507,519
Weigh scales	-	8,000
TRANSPORTATION		
Roads, bridges and sidewalks	39,449,289	3,678,512
Street lighting	-	49,760
ENVIRONMENTAL HEALTH		
Comfort stations	-	20,329
Garbage department	20,551	63,010
PUBLIC HEALTH AND WELFARE		
Cemeteries	-	1,400
RECREATION AND CULTURE		
Community Centre	-	2,462,705
Swimming pool	-	3,049,641
Victoria Memorial Arena	-	1,522,492
Parks and playgrounds	1,255,598	1,236,482
McPherson Theatre	5,528	794,785
Royal Theatre	-	73,099
Other		
Civic squares	455,363	63,361
Schools	-	2,413,600
Miscellaneous	-	578,612
	$ 41,249,629	$ 18,661,873

Machinery and Equipment (per Inventory Valuation)	Land (at cost)	Total
1,711,271	157,485	3,182,170
1,050,270	70,248	1,945,670
1,520,258	89,460	2,180,537
-	-	8,000
7,023,480	4,097,010	54,248,291
979,370	14,560	1,043,690
-	24,000	44,329
107,971	4,740	196,272
-	402,820	404,220
65,247	784,556	3,312,508
155,275	121,720	3,326,636
376,968	209,123	2,108,583
1,280,172	4,378,034	8,150,286
72,760	86,744	959,817
-	-	73,099
-	535,053	1,053,777
-	476,100	2,889,700
1,166	778,408	1,358,186
$ 14,344,208	$ 12,230,061	$ 86,485,771

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
WORK IN PROGRESS

SCHEDULE 22

	Year Ended December 31 1985	1984
TAX SALE LANDS RESERVE FUND	$ 203,703	$ 345,429
CAPITAL BUDGET #3	274,995	8,787,490
	$ 478,698	$ 9,132,919

AUTHORIZED DEBENTURE DEBT

SCHEDULE 23

	Year Ended December 31 1985	1984
ISSUED AND OUTSTANDING		
Parking facilities	$ 700,000	$ 789,000
Centennial Square	9,244	18,019
Capital budgets	3,858,911	8,713,314
Police station	23,799	45,741
	$ 4,591,954	$ 9,566,074

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
ASSETS ACQUIRED BY TRANSFER FROM GENERAL REVENUE FUND

SCHEDULE 24

	Year Ended December 31 1985	1984
GENERAL GOVERNMENT		
Civic offices	$ 30,701	$ 230,236
PROTECTIVE		
Police department	109,762	139,175
Fire department	57,786	58,265
Inspections	-	1,036
TRANSPORTATION		
Roads, bridges and sidewalks	255,158	169,473
Traffic and street lighting	123,198	228,855
ENVIRONMENTAL HEALTH		
Storm drains	-	70,894
Garbage department	6,285	12,559
RECREATION AND CULTURAL		
Community centre	8,550	-
Swimming pool	-	6,028
Victoria Memorial Arena	7,093	1,814
Parks and playgrounds	55,451	94,131
Other	1,166	-
	$ 655,150	$ 1,012,466

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GENERAL CAPITAL FUND
EXPENDITURE FOR FIXED ASSETS
YEAR ENDED DECEMBER 31, 1985

SCHEDULE 25

	Engineering Structures	Buildings	Machinery and Equipment	Total
GENERAL GOVERNMENT	$ -	$ 13,256	$ 187,020	$ 200,276
PROTECTIVE	-	9,341	179,510	188,851
TRANSPORTATION	2,138,815	-	803,027	2,941,842
ENVIRONMENTAL HEALTH	-	-	6,285	6,285
RECREATION AND CULTURAL	6,302	222,608	55,991	284,901
OTHER	-	35,613	-	35,613
	$ 2,145,117	$ 280,818	$ 1,231,833	$ 3,657,768

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
RESERVE FUNDS
INVESTMENTS

SCHEDULE 26

	Year Ended December 31 1985	1984
GOVERNMENT OF CANADA BONDS	$ 5,419,229	$ 1,330,767
ONTARIO HYDRO BONDS	337,913	337,913
PROVINCE OF ONTARIO BONDS	79,594	79,594
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY BONDS	25,000	25,000
PROVINCE OF ALBERTA BONDS	18,832	18,832
NEWFOUNDLAND AND LABRADOR HYDRO-ELECTRIC BONDS	39,725	39,725
PROVINCE OF SASKATCHEWAN BONDS	9,950	9,950
B. C. CENTRAL CREDIT UNION BONDS	9,950	9,950
PROVINCE OF NEW BRUNSWICK BONDS	9,937	9,937
NOVA SCOTIA POWER COMMISSION BONDS	9,825	9,825
MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA DEBENTURES	303,704	289,704
CITY OF VICTORIA DEBENTURES	68,481	64,069
GREATER VICTORIA WATER DISTRICT DEBENTURES	12,970	12,970
BRITISH COLUMBIA DEVELOPMENT BONDS	100,000	100,000
PROVINCE OF MANITOBA	25,000	25,000
PROVINCE OF NEWFOUNDLAND	24,938	24,938
ALBERTA GOVERNMENT TELEPHONE	24,656	24,656
NEWFOUNDLAND MUNICIPAL FINANCE AUTHORITY	25,000	25,000
BANK OF MONTREAL CERTIFICATE	20,000	20,000
PROVINCE OF BRITISH COLUMBIA	74,719	25,000
PROVINCE OF NOVA SCOTIA	24,937	-
	$ 6,664,360	$ 2,482,830

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
TRUST AND AGENCY FUNDS
INVESTMENTS

SCHEDULE 27

	Year Ended December 31 1985	1984
ONTARIO HYDRO BONDS	$ 9,950	$ 39,875
GOVERNMENT OF CANADA BONDS	29,850	29,850
PROVINCE OF ONTARIO BONDS	9,950	9,950
PROVINCE OF NEWFOUNDLAND BONDS	4,975	4,975
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY BONDS	4,975	4,975
TORONTO EATON CENTRE DEBENTURES	44,160	44,160
MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA DEBENTURES	10,345	14,141
ALBERTA MUNICIPAL FINANCE AUTHORITY	49,312	49,312
MISCELLANEOUS	2	2
	$ 163,519	$ 197,240

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
WATER DISTRIBUTION REVENUE FUND
DISTRIBUTION OPERATION AND MAINTENANCE

SCHEDULE 28

	Year Ended December 31 1985	1984
RENEWAL OF LEAD SERVICES	$ -	$ 145,720
MAINTENANCE OF MAINS	235,862	236,484
MAINTENANCE OF METERS	48,455	73,288
MAINTENANCE OF SERVICE CONNECTIONS	189,102	253,774
REPAIR OF HYDRANTS	80,165	86,068
MAINTENANCE OF GENERAL PLANT	39,089	37,638
CROSS CONNECTION CONTROL	20,037	-
	$ 612,710	$ 832,972

CAPITAL EXPENDITURE OUT OF REVENUE

SCHEDULE 29

	Year Ended December 31 1985	1984
NEW MAINS	$ 142,041	$ 129,786
NEW HYDRANTS	29,017	2,158
METERS AND AUXILIARY FITTINGS	35,646	13,720
NEW SERVICES	136,416	189,132
NEW EQUIPMENT	20,046	10,314
REBUILT STRUCTURES	142,345	-
RENEWAL OF LEAD SERVICES	184,798	-
SYSTEM REPLACEMENT	419,125	-
	1,109,434	345,110
LESS Contributions from customer services	180,765	-
	$ 928,669	$ 345,110

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
VICTORIA MEMORIAL ARENA
REVENUE AND EXPENDITURE

SCHEDULE 30

	Year Ended December 31 1985	1984
REVENUE		
Skating	$ 54,645	$ 48,156
Hockey	54,027	43,256
Lacrosse	11,917	8,832
Concession sales	241,095	280,532
Skate shop	4,350	3,045
Building rentals and special events	108,644	111,326
Wrestling	6,008	3,589
Parking lot	46,551	43,135
Property rentals	–	2,450
Commission on ticket sales	41,524	34,636
Gate receipts received on behalf of promotors	917,302	766,307
Miscellaneous	17,289	14,952
	1,503,352	1,360,216
EXPENDITURE		
Activities and events	142,910	152,671
Building operation and administration	378,906	401,443
Concession operation	186,503	200,837
Skate shop operation	5,793	11,712
Gate receipts disbursed to promotors	917,302	766,307
	1,631,414	1,532,970
NET OPERATING EXPENDITURE	128,062	172,754
CAPITAL EXPENDITURE		
New equipment	7,093	1,814
NET EXPENDITURE	$ 135,155	$ 174,568

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
CRYSTAL POOL
REVENUE AND EXPENDITURE

SCHEDULE 31

	Year Ended December 31 1985	1984
REVENUE		
Public swimming	$ 210,570	$ 225,035
Programmed swimming	66,463	56,363
Pool rentals and special events	26,305	25,761
Building rentals	1,130	1,097
Swim shop	63,526	59,336
Concession sales	43,007	50,587
Miscellaneous	3,469	4,185
	414,470	422,364
EXPENDITURE		
Activities and events	200,105	227,477
Building operation and administration	456,329	424,051
Swim shop	17,434	13,810
Concession operation	39,577	46,966
	713,445	712,304
NET OPERATING EXPENDITURE	298,975	289,940
CAPITAL EXPENDITURE		
New equipment	-	6,028
NET EXPENDITURE	$ 298,975	$ 295,968

THE CORPORATION OF THE CITY OF VICTORIA
BRITISH COLUMBIA
GOVERNMENT GRANTS

SCHEDULE 32

	Year Ended December 31 1985	1984
FEDERAL GOVERNMENT		
In lieu of property taxes	$ 1,186,057	$ 1,092,193
Residential Rehabilitation Assistance Programme	21,300	43,440
Jail operation	10,901	8,029
Canada Works Programme	23,400	-
	1,241,658	1,143,662
FEDERAL GOVERNMENT AGENCY		
Canadian Broadcasting Corporation	-	20,761
PROVINCIAL GOVERNMENT		
Local Government and Revenue Sharing Grants	2,515,610	2,566,282
Sewer debt charges	459,845	409,397
In lieu of property taxes	2,155,754	2,604,874
Home owner grants to property owners	5,587,578	5,516,377
Emergency Measures Organization	676	1,450
Jail operation	72,017	90,660
	10,791,480	11,189,040
PROVINCIAL GOVERNMENT ENTERPRISES		
British Columbia Hydro and Power Authority	453,436	427,894
British Columbia Housing Commission	38,555	40,095
	491,991	467,989
OTHER MUNICIPALITIES		
Jail operation	15,704	18,060
Victoria and Saanich Mount Douglas Park Committee	51,167	42,437
Sewer services outside city	2,663	2,567
	69,534	63,064
	$ 12,594,663	$ 12,884,516

I N D E X

Auditors' Report

Balance Sheet

Statement of Revenue and Expenditure

Statement of Changes in Fund Balances

Notes to Financial Statements

Schedule of Operating Fund Expenditures

Ernst & Whinney Chartered Accountants

910 Government Street
Victoria, British Columbia V8W 1X3

604/388-7565

AUDITORS' REPORT

To the Chairman & Trustees of the
Greater Victoria Public Library Board

We have examined the balance sheet of the Greater Victoria Public Library Board as at December 31, 1985 and the statements of revenue and expenditure and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting policies disclosed in Note B to the financial statements, applied on a basis consistent with that of the prior year.

Ernst & Whinney

March 5, 1986

GREATER VICTORIA PUBLIC LIBRARY BOARD
BALANCE SHEET

	December 31 1985	1984
ASSETS		
CASH	$ 491,865	$ 639,343
STUDENT LOAN	1,000	1,000
	$ 492,865	$ 640,343
LIABILITIES AND FUND BALANCES		
PAYABLE TO THE CITY OF VICTORIA - Note C	$ 356,864	$ 566,702
DEFERRED REVENUE	71,881	69,619
FUND BALANCES		
Endowment Fund	516	-
Student Loan Fund	2,940	2,821
Helen McKay Memorial Fund	664	1,201
Personnel Contingency Fund	60,000	-
	$ 492,865	$ 640,343

COMMITMENTS AND CONTINGENCIES - Note D

APPROVED BY THE BOARD

_____ TRUSTEE

_____ TRUSTEE

See Notes to Financial Statements

GREATER VICTORIA PUBLIC LIBRARY BOARD
OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31

	1985		1984	
	Actual	Budgeted	Actual	Budgeted
REVENUE				
Municipal contributions				
City of Victoria	$1,510,685	$1,527,758	$1,494,582	$1,494,582
District of Saanich	1,538,213	1,555,597	1,498,615	1,498,615
District of Oak Bay	348,562	352,502	343,945	343,945
Township of Esquimalt	322,523	326,168	329,644	329,644
Library Services Branch grants	280,763	279,975	278,475	278,475
Fines, photocopier and sundry receipts	111,420	117,500	131,270	147,500
Transfers from sundry funds	-	-	282,508	312,718
Bank interest	25,643	24,000	20,595	15,000
	$4,137,809	$4,183,500	$4,379,634	$4,420,479
EXPENDITURE - Schedule attached				
Library materials	$ 459,007	$ 438,327	$ 575,502	$ 564,971
Salaries and benefits	2,188,033	2,211,165	2,278,750	2,269,014
Furniture, equipment and supplies	346,371	378,898	439,998	440,725
Building expenses	124,829	123,300	102,445	112,478
Rentals	747,456	745,070	697,684	697,438
Professional and clerical charges, City of Victoria	130,715	132,247	141,721	143,180
Other expenses	118,641	129,993	99,044	101,266
Special projects				
Automated catalogue support	5,823	6,500	28,081	65,257
Installation of book security system	9,920	11,000	16,409	26,150
Moving costs, Esquimalt branch	4,228	4,000	-	-
Physical reorganization of Central library	2,786	3,000	-	-
	$4,137,809	$4,183,500	$4,379,634	$4,420,479

See Notes to Financial Statements

GREATER VICTORIA PUBLIC LIBRARY BOARD
SUNDRY FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 1985

	Personnel Contingency Fund	Helen McKay Memorial Fund	Endowment Fund	Student Loan Fund
BALANCE AT BEGINNING OF YEAR	$ -	$ 1,201	$ -	$ 2,821
ADD REVENUE				
Donations received	-	110	515	-
Bank and term deposit interest	-	57	1	119
Allocated from Operating Fund	60,000	-	-	-
	60,000	1,368	516	2,940
DEDUCT				
Assets purchased	-	704	-	-
BALANCE AT END OF YEAR	$ 60,000	$ 664	$ 516	$ 2,940

See Notes to Financial Statements

NOTE A GENERAL

The Greater Victoria Public Library Board is incorporated under the Library Act of British Columbia. Its principal activity is the operation of the public libraries in the City of Victoria, Township of Esquimalt, and Districts of Saanich and Oak Bay.

NOTE) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Greater Victoria Public Library Board follows the fund basis of accounting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Currently in use are the following funds:

1. Operating Fund - Records the operating activities during the year.

2. Helen McKay Memorial Fund - Records activities of a fund established to purchase special library materials.

3. Student Loan Fund - Records activities of a loan fund established by a donation to provide loans to students attending accredited library schools.

4. Endowment Fund - Records donations to the Library Board and disbursements made from these donations.

5. Personnel Contingency Fund - Provides for unfunded accrued sick leave liability and ancillary personnel contingencies.

Library Services Branch Revenue

The Library Board receives an annual operating grant from the Library Services Branch. The grant covers a twelve month period ending March 31st. Accordingly, monies received prior to the fiscal year end, that relate to the subsequent year's revenue, are shown on the balance sheet as "Deferred Revenue". In addition, grants received from the legal service society covering the next calendar year are deferred.

Capital Assets

Acquisitions of capital assets out of current year's operating fund are treated as operating expenditures.

Commitments

Commitments at year end for goods and services, as approved by the Board, are accrued as payables.

Leases

The Library Board accounts for all its leases as operating leases.

NOTE C PAYABLE TO THE CITY OF VICTORIA

As part of the administrative services it provides to the Library Board, the City of Victoria attends to all disbursements. At year end, the accounts payable, commitments and accrued liabilities of the Library Board are reflected in the financial statements of the City of Victoria. The amount shown as "Payable to the City of Victoria" on the Library Board balance sheet is for expenses accrued by the City but yet to be reimbursed by the Library Board.

NOTE D COMMITMENTS AND CONTINGENCIES

Contingent Liability

An action for wrongful dismissal has been commenced against the Greater Victoria Public Library Board by a former employee. It is not possible to estimate at this time what amount, if any, will be payable as a result of this action.

Payroll Benefits

The estimated liability for unrecorded sick leave at December 31, 1985 is approximately $85,600. These amounts are payable upon retirement. Current retirements are recorded as an expense during the year that payment is made.

Commitment

The Library Board leases computer equipment. Future lease commitments under this lease are as follows:

Year	Annual Payments
1986	$ 48,428
1987	48,428
1988	48,428
1989	48,428
1990	19,705
	$213,417

GREATER VICTORIA PUBLIC LIBRARY BOARD
SCHEDULE OF OPERATING FUND EXPENDITURE
YEAR ENDED DECEMBER 31

	1985		1984	
	Actual	Budget	Actual	Budget
LIBRARY MATERIALS				
Books	$ 382,494	$ 361,225	$ 465,289	$ 458,222
Periodicals	45,130	44,135	44,703	44,020
Records and cassettes	11,839	12,067	20,664	19,765
Talking books	7,979	8,000	6,965	6,965
Binding	8,565	9,900	11,879	11,420
Films and filmstrips	3,000	3,000	26,002	24,579
	$ 459,007	$ 438,327	$ 575,502	$ 564,971
SALARIES AND BENEFITS				
Salaries	$1,990,703	$1,940,786	$2,027,002	$2,011,582
Benefits	197,330	270,379	251,748	257,432
	$2,188,033	$2,211,165	$2,278,750	$2,269,014
FURNITURE, EQUIPMENT AND SUPPLIES				
Stationery and supplies	$ 64,831	$ 92,425	$ 129,163	$ 155,601
Photocopier expenses	6,512	7,700	29,022	31,723
Machine rentals	38,246	43,132	4,564	3,175
Equipment repairs	72,170	80,440	54,172	69,104
Furniture and equipment	10,123	7,000	10,539	8,282
Automated systems	154,489	148,201	212,538	172,840
	$ 346,371	$ 378,898	$ 439,998	$ 440,725
BUILDING EXPENSES				
Supplies	$ 3,898	$ 4,300	$ 3,860	$ 4,600
Heat, light and water	29,666	31,185	23,645	28,425
Repairs and maintenance	91,265	87,815	74,940	79,453
	$ 124,829	$ 123,300	$ 102,445	$ 112,748
OTHER EXPENSES				
Freight and express	$ 11,880	$ 13,500	$ 14,280	$ 12,500
Travel and education	7,280	7,500	5,860	5,000
Postage	14,117	15,000	5,471	10,000
Insurance	7,100	6,500	5,876	7,500
Telephone and telex	39,682	40,528	40,524	37,922
Audit fee	4,450	4,000	4,000	4,000
Memberships	1,980	1,865	2,027	2,170
Programs, activities and publicity	2,914	3,600	3,320	5,935
Vehicle operation	6,569	7,000	7,638	8,837
Miscellaneous	22,669	30,500	10,048	7,402
	$ 118,641	$ 129,993	$ 99,044	$ 101,266

Ernst & Whinney Chartered Accountants

910 Government Street
Victoria, British Columbia V8W 1X3

604/388-7565

AUDITORS' REPORT

To the Members of the
Victoria and Saanich Mount Douglas Park Committee

We have examined the statement of revenue and expenditure for the year ended December 31, 1985. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, this financial statement presents fairly the results of the operations of the Victoria and Saanich Mount Douglas Park Committee for the year ended December 31, 1985 in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Ernst & Whinney

March 21, 1986

VICTORIA AND SAANICH MOUNT DOUGLAS PARK COMMITTEE
STATEMENT OF REVENUE AND EXPENDITURE

	Year Ended December 31 1985	1984
REVENUE		
The Corporation of the City of Victoria	$ 39,488	$ 37,177
The Corporation of the District of Saanich	39,488	37,177
	78,976	74,354
EXPENDITURE		
Services purchased	1,263	914
Wages and employee benefits	30,034	34,002
Supplies	2,620	1,087
Equipment rentals	6,787	3,879
Water	265	270
Telephone	476	387
Administration	6,694	6,176
Special projects	25,500	21,220
	73,639	67,935
SURPLUS FOR THE YEAR	5,337	6,419
Surplus at Beginning of Year	11,679	5,260
SURPLUS AT END OF YEAR	$ 17,016	$ 11,679

NOTE A GENERAL

The Victoria and Saanich Mount Douglas Park Committee is a joint operation of the Corporation of the City of Victoria and the Corporation of the District of Saanich. The committee co-ordinates the maintenance of Mount Douglas Park.